(d) whether his Ministry and the FCI have locked horns over rabi procurement; if so the reasons therefor;

(e) how it is proposed to be resolved;

(f) how far the Centre is funding the procurement operations to meet PDS requirement for two years; and

(g) the cash incentives which the FCI proposed to exporters, low interest loans to traders and flour mills for purchase of wheat and liberal stock holding limits as a means to cut down storage cost of grains by Government agencies?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) Yes, Sir.

(b) As per preliminary estimates given by State Governments, the procurement of wheat during the ensuing 1995-96 Rabi Marketing season is likely to be about 130.00 lakh tonnes.

(c) Out of 27.3 million tonnes storage capacity with the Food Corporation of India, 15.6 million tonnes capacity exists in Northern wheat growing States and out of which 2 million tonnes space is vacant as on 1-2-95. Further about 1.5 million tonnes of CAP storage space would become available by custom Milling of paddy stocks before monosoon during rabi season for storing wheat purchased. Another 3 to 4 million tonnes of vacant storage space would be available by despaching foodgrains to other consuming States during procurement period April, 95 to June, 1995.

The field officers of FCI have been authorised to hire additional storage capacity of about 5 million tonnes in Northern States to meet the emergent situations.

(d) No, Sir.

(e) Does not arise.

(f) FCI and State Agencies avail of credit limit facilities from a consortium of Banks led by State Bank of India to incur the expenditure in procurement operations.

(g) The Bank Credit Policy is decided and reviewed by the Reserve Bank of India and Ministry of Finance. No cash incentives as such are given by the Ministry of Food or FCI.

Government have taken steps to liberalise foodgrains trade such as removal of restrictions on movement of foodgrains, abolition of limits of stock holding on wheat and rice and delicensing of wheat. It is expected that with these steps the net offer to Central Pool in procurement will be less thereby reducing the storage costs of F.C.I.

Free sale of rice and wheat by Food Corporation of India

922. SHRI S. S. AHLUWALIA: Will the Minister of FOOD be pleased to state:

(a) whether it is a fact that Government have entrusted Food Corporation of India (FCI) with the task of carrying out free sale of rice and wheat from its stock to purchasers in the wholesale market;

(b) if so procedure prescribed, if any, to be followed by FCI for such sale;

(c) period since when this sale of rice and wheat has been in vogue and quantities of rice and wheat sold to wholesale purchaser vis-a-vis the quantities earmarked, if any, for such sale during the current financial year;

(d) whether offers of several bulk purchasers, including consumers; co-operaives in different States for purchase of rice and wheat against specific tender notices of FCI, have been kept pending for finalisation since long but without assigning reasons whatsoever to the eligible bidders;

(e) State-wise details of pending offers from consumers' co-operatives for purchase of rice and wheat from FCI and reasons for keeping them pending;

(f) whether Government contemplate or have already incorporated any mechanism in the selling procedure in order to ensure greater transparency in its conduct and execution of sale by FCI in favour of the higher offer with most favourable terms; and

(g) if so, what are the details thereof?

THE MINISTER OF FOOD (SHRI AJIT SINGH): (a) Yes Sir.

(b) The prices for open sale of wheat and rice are fixed by a High Level Committee in FCI on month to month and State-wise basis. The sale is on pre-payment basis subject to availability of stocks. The prices are payable for the net foodgrains prevailing on the date of delivery plus local taxes wherever applicable. Delivery is ex-FCI godowns free on truck basis. The minimum unit of sale for wheat is 5 tonnes in Metropolitan Towns and where FCI depots are having Railway siding and 1 tonne in other revenue districts and sub-divisional headquarters. The minimum unit of sale is 10 bags for rice.

(c) Sale of rice started from January, 1994 and wheat from October, 1993. Quantities of rice and wheat earmarked for sale under open sale scheme and quantities sold are as under:—

(Figures in lakh MT)

Year	Wheat		Rice	
	Quantity earmarked	Quantity Sold	Quantity earmarked	Quantity Sold
1993-94	30·00	28.56	15·00**	0·17
1994-95	45.00	41.47*	..	3.46*

**for the period January, 94 to September, 95.
*upto February, 95 (Provisional)

(d) No, Sir. The sale of rice and wheat in open sale scheme is being done on the basis of the prices fixed in advance on month to month basis and state-wise.

(e) Does not arise.

(f) Does not arise.

(g) Does not arise.

Sale of substandard rice by FCI

923. SHRI O. P. KOHLI:

DR. ISHWAR CHANDRA GUPTA:

Will the Minister of FOOD be pleased to state:

(a) whether the Supreme Court pulled up the Food Corporation of